

INTRODUCTION

Livingston County Prosecuting Attorney (PA) had a contract with the Michigan Family Independence Agency (FIA) to establish paternity and to obtain support orders for all cases where the Livingston County Prosecuting Attorney (PA) had jurisdiction. The Livingston County PA billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Livingston County for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Livingston County PA for the period October 1, 2000 through September 30, 2001. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Livingston County PA overbilled the FIA for some line items. The State share of the net amount overbilled was \$3,050. (See Schedule A.)

Our report recommends that the Family Independence Services Administration initiate the process to recoup \$3,050 from the Livingston County PA.

PA RESPONSE

The Livingston County PA has reviewed all findings and recommendations included in this report. They indicated in a telephone conversation on September 18, 2002 that they are in general agreement with the report.

FINDINGS

Personnel - Salaries

1. The Livingston County PA overbilled FIA \$4,293 for salaries because the amount billed was less than the amount recorded in the General Ledger, which is the source document for the billings. (See Schedule A.)

Personnel – Social Security Tax

2. The Livingston County PA overbilled the FIA \$328.00 for social security tax which was computed on the overbilled salaries in the above finding. (See Schedule A.)

WE RECOMMEND the Family Independence Services Administration initiate the process to recoup \$3,050.00 from the Livingston County PA.

Finding #	Line Item	Audit Period	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	State %	Due (State) County
1	Personnel	10/01/00 to 9/30/01	\$ (4,293)	100.00%	\$ (4,293)		
2	Personnel	10/01/00 to 9/30/01	\$ (328)	100.00%	\$ (328)		
Grand Total of the IV-D Audit Adjustments					<u>\$ (4,621)</u>		
Calculation of the Payment Due the (State) County Audited IV-D Amount					\$ (4,621)		
					<u>\$ (4,621)</u>	66.00%	<u>\$ (3,050)</u>